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EXTRAORDINARY

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PART II — Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on 10th August, 2016:—

BILL NO. 215 OF 2016

A Bill further to amend the Income-tax Act, 1961 and the Customs Tariff Act, 1975.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2016.
- (2) Save as otherwise provided in this Act, it shall come into force at once.

Short title and
commencement.

CHAPTER II

DIRECT TAX

Income-tax

43 of 1961.

2. In the Income-tax Act, 1961 (hereinafter referred to as the principal Act in this Chapter), in section 2, in clause (19AA), after *Explanation* 4, the following *Explanation* shall be inserted, with effect from the 1st day of April, 2017, namely:—

Amendment
of section 2.

"Explanation 5.—For the purposes of this clause, the reconstruction or splitting up of a company, which ceased to be a public sector company as a result of transfer of its shares by the Central Government, into separate companies, shall be deemed to be a demerger, if such reconstruction or splitting up has been made to give effect to any condition attached to the said transfer of shares and also fulfils such other conditions as may be notified by the Central Government in the Official Gazette.”.

Amendment
of section
80JJAA.

3. In the principal Act, in section 80JJAA, in sub-section (2), in the *Explanation*, after clause (ii), the following proviso shall be inserted, with effect from the 1st day of April, 2017, namely:—

‘Provided that in the case of an assessee who is engaged in the business of manufacturing of apparel, the provisions of sub-clause (c) shall have effect as if for the words “two hundred and forty days”, the words “one hundred and fifty days” had been substituted.’.

CHAPTER III

INDIRECT TAX

Customs tariff

Amendment
of First
Schedule.

4. In the Customs Tariff Act, 1975, in the First Schedule,—

51 of 1975.

(a) in Chapter 25, for the entry “10%” in column (4) occurring against tariff items 2515 11 00, 2515 12 10, 2515 12 20, 2515 12 90, 2516 11 00 and 2516 12 00, the entry “40%” shall respectively be substituted;

(b) in Chapter 68, for the entry “10%” in column (4) occurring against tariff items 6802 10 00, 6802 21 10, 6802 21 20, 6802 21 90, 6802 23 10, 6802 23 90, 6802 29 00, 6802 91 00, 6802 92 00 and 6802 93 00, the entry “40%” shall respectively be substituted.

STATEMENT OF OBJECTS AND REASONS

The existing provisions of the Income-tax Act, 1961 provide for tax neutrality in matters relating to transfer of capital asset, carry forward of loss, claim of certain deductions, etc., in case of demerger of entities. The definition of the term “demerger” contained in clause (19AA) of section 2 of the Income-tax Act, 1961, does not include in its scope, the splitting up or the reconstruction of a company, which ceased to be a public sector company as a result of transfer of its shares by the Government, into separate companies, even if such split up or reconstruction has been made to give effect to the conditions attached to the said transfer of shares by the Government.

2. With a view to facilitate the splitting up or the reconstruction of erstwhile public sector companies and to give effect to the conditions attached to the transfer of shares by the Government, there is a need to bring these types of splitting up or the reconstruction within the scope of definition of the term “demerger”.

3. Section 80JJAA of the Income-tax Act, 1961, was substituted by the Finance Act, 2016, so as to provide that in the case of certain assesseees, in computing profits and gains derived from business, deduction shall be allowed of an amount equal to thirty per cent. of additional employee cost incurred in the course of such business in the previous year for the specified period, subject to the fulfillment of certain specified conditions. One of the conditions provides that the employee should be employed for a period of not less than two hundred and forty days during the previous year. In view of the seasonal nature of the business of manufacturing of apparel, there is a need to reduce the period of employment of an employee who is employed in this business from two hundred and forty days to one hundred and fifty days during the previous year.

4. Presently, imports of marble blocks/slabs and granite blocks/slabs are subject to a combination of non-tariff measures, namely, Quantitative Restriction (QR) and Minimum Import Price (MIP) and tariff measure, that is, customs duty at the rate of 10% levied under the First Schedule to the Customs Tariff Act, 1975.

5. The present tariff rate of customs duty under the First Schedule to the Customs Tariff Act, 1975 as well as the effective rate for marble and travertine blocks/slabs and granite blocks/slabs is 10%. In order to have a greater flexibility in terms of tariffs, the Bill seeks to amend the First Schedule to the said Act so as to increase the tariff rate of customs duty from 10% to the WTO bound rate of 40% on all goods falling under specified tariff items including goods, namely, rough marble and travertine blocks/slabs and granite blocks/slabs.

6. The enactment of the proposed Bill will enable the Government to fix appropriate effective rate of customs duty on marble and travertine blocks/slabs and granite blocks/slabs.

7. The Bill seeks to achieve the above objectives.

ARUN JAITLEY.

NEW DELHI;
The 8th August, 2016.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 AND 274
OF THE CONSTITUTION OF INDIA

[Copy of letter No. 354/72/2015-TRU, dated 5th August, 2016 from Shri Arun Jaitley, Minister of Finance and Corporate Affairs in the Ministry of Finance to Secretary-General, Lok Sabha.]

The President, have been informed of the subject matter of the Taxation Laws (Amendment) Bill, 2016, recommends under clauses (1) and (3) of Article 117 read with clause (1) of Article 274 of the Constitution of India, introduction of the above Bill in Lok Sabha.

BILL NO. 216 OF 2016

A Bill further to amend the Factories Act, 1948.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Factories (Amendment) Act, 2016.

Short title
and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

63 of 1948.

2. In the Factories Act, 1948 (hereinafter referred to as the principal Act), in section 2, in clause (p), for the words “State Government”, the words “Central Government or, as the case may be, the State Government” shall be substituted.

Amendment
of section 2.

3. In section 64 of the principal Act,—

Amendment of
section 64.

(a) for the words "State Government" wherever they occur, the words "Central Government or, as the case may be, the State Government" shall be substituted;

(b) in sub-section (4), in clause (iv), for the word "fifty", the words "one hundred" shall be substituted;

(c) in sub-section (5), for the words "Rules made", the words, brackets and figures "Rules made before the commencement of the Factories (Amendment) Act, 2016" shall be substituted.

Amendment of
section 65.

4. In section 65 of the principal Act,—

(a) for the words "State Government" wherever they occur, the words "Central Government or, as the case may be, the State Government" shall be substituted;

(b) in sub-section (3), in clause (iv), for the word "seventy-five", the words "one hundred and fifteen" shall be substituted;

(c) after sub-section (3) and before the *Explanation*, the following proviso shall be inserted, namely:—

"Provided that the Central Government or the State Government or the Chief Inspector with the prior approval of the State Government, as the case may be, may, by order, further extend the total number of hours of overtime work in any quarter up to one hundred and twenty-five in the public interest."

Amendment of
section 115.

5. In section 115 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Every rule made by the Central Government or the State Government under this Act shall be laid, as soon as may be after it is made, before Parliament or, as the case may be, the State Legislature."

STATEMENT OF OBJECTS AND REASONS

The Factories Act was enacted in 1948. It's main object is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories. The Act has been amended the years 1949, 1950, 1951, 1954, 1970 and 1976. The last amendment to the Factories Act, 1948 was made in the year 1987, wherein a separate Chapter was inserted relating to hazardous process.

2. There have been several developments over the last twenty years every since the last amendment was made. These include changes in the manufacturing practices and emergence of new technologies, ratification of ILO Conventions, Judicial decisions, recommendations of the Committees and decisions taken in the Conferences of Chief Inspectors of Factories. In order to give effect to those changes, a comprehensive Factories (Amendment) Bill, 2014 including the amendments presently proposed to sections 64 and 65 of the said Act, was introduced in Lok Sabha on 7th August, 2014. The said Bill was referred to the Department-related Parliamentary Standing Committee on Labour for examination and report, which presented its Report on the said Bill on 22nd December, 2014 to Parliament, which is under examination.

3. Since consideration and passing of the aforesaid Bill in Parliament may take some more time, with a view to boost the manufacturing sector and to facilitate ease of doing business so as to enhance employment opportunities, it has been decided to amend sections 64 and 65 of the Factories Act, 1948 urgently to extend the total number of hours of work on overtime. The salient features of the Factories (Amendment) Bill, 2016 *inter alia*, are to—

(a) enhance the limit of overtime hours from the present limit of fifty hours *per* quarter to one hundred hours *per* quarter under section 64;

(b) further increase the limit of overtime hours to maximum of one hundred and twenty-five hours *per* quarter in public interest under section 65;

(c) empower the Central Government, in addition to the State Governments, to make exempting rules and exempting orders in respect of total number of hours of work on overtime in a quarter, which would ensure uniformity in its application by various State Governments and Union territories.

4. The need for increasing the total number of hours of work on overtime in quarter is based on the demand from industries so that factories can carry out the work on urgent basis.

5. The Bill seeks to achieve the above objects.

NEW DELHI;
The 28th August, 2016.

BANDARU DATTATREYA.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 2 and 3 of the Bill empower the Central Government, in addition to the State Government, to make exempting rules and exempting orders provided under section 64 and section 65 of the Act regarding permitting workers to work on overtime subject to certain conditions.

2. The matters in respect of which rules and orders may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

ANOOP MISHRA,
Secretary General.